

NASCA Award Application

Program Title: PA IT – Retention and Recruitment

Category: Human Resources

State: Pennsylvania

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CATEGORY: HUMAN RESOURCES NOMINATION: PA IT — RETENTION AND RECRUITMENT

Executive Summary

Under a directive from Pennsylvania Governor Tom Ridge to improve the retention and recruitment rates of information technology professionals, the Governor's Office of Administration (OA) adjusted IT professional salaries, which lagged 15 percent behind the market, while actively engaging tomorrow's best IT professionals.

Through a comprehensive reclassification of information technology job families, providing four specific class standards upon which to build job family lists, the OA drastically improved the ability of the Personnel Office to identify and attract IT professionals to work for the Commonwealth. Previously, a single job classification existed, handicapping agencies' ability to hire critically needed IT staff in a number of areas.

With the proper IT job classes in place, the OA next set out to attract technology professionals while retaining the ones already on staff. Examining salaries in the private sector within a 50-mile radius of Harrisburg, the OA learned its IT salaries were substantially under the market value. To better compete for the best IT professionals and reduce a 7 percent separation rate, the OA properly adjusted its salary scale. As a result, the Commonwealth increased the salaries of 80 percent of its 1,200 IT workers. In all, the Office will invest roughly \$4.16 million per year for salary increases to more competitively compensate its IT staff.

In coordination with the salary boost the OA, with help from the Civil Service Commission, launched an aggressive campaign across Pennsylvania to attract recent graduates to begin Commonwealth careers. Launching the IT Associate Program in November 1999, the OA and CSC visited 18 institutions offering graduating seniors a chance to work and learn in the IT field. At the end of the one-year training program, associates are guaranteed a full-time IT position. Candidates needed not have extensive IT experience (six credits) as the OA compensates by providing considerable on-the-job training.

All evidence indicates the programs are working — the OA and CSC are recruiting and retaining IT professionals at a better rate than ever before. Significant project statistics include:

- Eighty percent of the Commonwealth's 1,200 IT professionals received salary increases. Only 2 percent of workers experienced a decrease in pay.
- The separation rate for IT professionals is 4.25 percent, significantly lower than the 7.4 percent separation rate in 1997.
- The current separation rate for IT professionals is lower than the overall rate of the Commonwealth, at 5.9 percent.
- Twenty-three IT Associates have accepted positions within 14 different Commonwealth agencies in the program's first year. That number is 35 percent above initial projections.
- Agencies have been overwhelming in their statements that the quality of the work and the contributions made by the IT Associates has far exceeded their expectations.
- Three new agencies already have committed funds to the IT Associates Program for next year.

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NOMINATION: PA IT —RETENTION AND RECRUITMENT

A: Description of the Program and Relative Significance to the improvement
of the operation and/or efficiency of state government

With lagging salaries 15 percent behind regional private sector businesses, Pennsylvania state government wasn't retaining, and couldn't compete for, the best information technology (IT) experts throughout the Commonwealth.

With an over-simplified job classification system filled with out-dated specifications, state government IT candidates couldn't be appropriately matched to the network and database needs of Commonwealth agencies.

But through a strategic overhaul of the salary scale and position classification system by Governor Tom Ridge's Office of Administration (OA) along with the Civil Service Commission (CSC), Pennsylvania now is properly compensating its current IT employees while actively engaging tomorrow's best IT professionals.

Previously with one classification, Computer Systems Analyst, encompassing a variety of IT positions, the OA and CSC had difficulty hiring IT professionals with the most critical, needed skill sets. To address this shortcoming, OA carefully crafted specific class standards upon which to build job family lists to identify professionals with the skills to complete various facets of IT work. The single CSA classification was divided into four key IT positions:

- Distributed Systems Specialist
- Applications Developer Series
- Database Analysis, and
- A fourth series which combined two of the previous three classifications – IT Generalist Series

With former classification limitations eliminated, and the right people now in the right positions, the OA next set out to keep its IT talent working for the Commonwealth by adjusting salaries to better compete with the private market. Conducting a salary survey within a 50-mile radius of Harrisburg, the OA learned that its IT employees, overall, were being paid under market value for their services by 15 percent. The OA addressed this market inequality by offering 80 percent of its 1,200 IT employees' upgrades in salary. Two percent of IT professionals received a decrease in salary because of the changes in classification and pay scale. The OA next adjusted salaries to maintain traditional pay relationships between ITs and other OA employees.

Better salaries and more clearly defined job classifications were the founding strategy in the OA's plan to compete for the most qualified IT employees. Additionally the OA and CSC began a search, pooling agency resources to attract the best candidates to IT jobs with the Commonwealth.

Past Shortcomings . . . A Bright Future

Then: Salaries hovered 15 percent below the competitive average

Now: Commonwealth IT salaries and benefits package among best

Then: IT workers were leaving at an annual rate of 7.2 percent

Now: Separation rate is 4.25 percent, below the private sector average

Then: Pennsylvania struggled to attract new, energetic IT professionals

Now: IT Associate Program attracting and retaining college's best

Continued

The IT Associate Program was launched in November 1999 to recruit top area college students for IT professional jobs with the Commonwealth. Seeking to identify students with diverse educational backgrounds, the Commonwealth offered year-long IT training jobs for recent bachelor's graduates from any major, as long as they had a minimum of six (6) credits in IT or IT-related courses. After a year of training in five basic disciplines (networking, client/server applications design, web development, training/end-user support, and a field of choice), along with classroom instruction, the participant would be promoted to one of the newly created IT positions at the Commonwealth's pay range 7 (\$36,088 as of July 1, 2001).

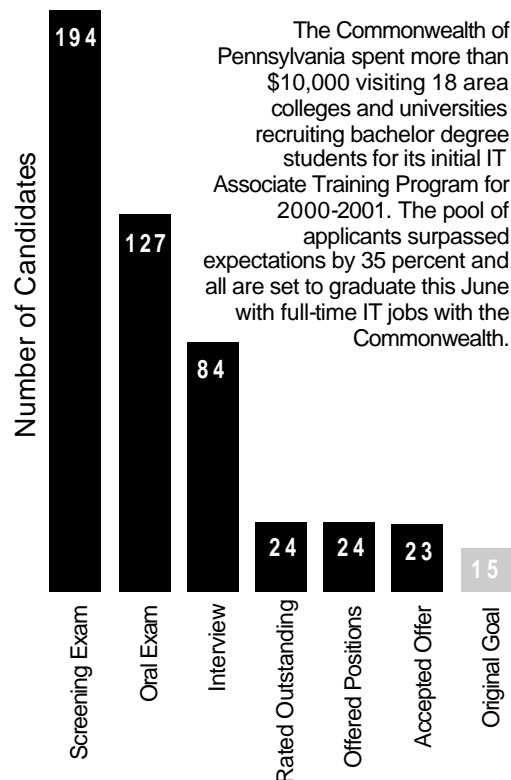
As an incentive for agencies to invest in the IT Associate Program, the OA guarantees that any agency that funds an associate will receive first choice for hiring program graduates.

The first year of the program ends June 30, 2001, and the results have been outstanding. Hoping to qualify 15 participants in its first year, the OA accepted 23 IT Associates in working 14 different state agencies. Agencies have been extremely complimentary in their statements that the quality of work and the contributions made by the IT Associates have far exceeded their expectations. As a result, many IT Associates were given assignments usually reserved for more experienced employees.

Recruitment for the second class of IT Associates currently is concluding with a similar-sized group ready to enter the program July 1, 2001. Three new state agencies already have committed to fund individuals in the program.

The IT Associate Program:

Enhancing productivity and recruitment



The Commonwealth of Pennsylvania spent more than \$10,000 visiting 18 area colleges and universities recruiting bachelor degree students for its initial IT Associate Training Program for 2000-2001. The pool of applicants surpassed expectations by 35 percent and all are set to graduate this June with full-time IT jobs with the Commonwealth.

B: Calculation of actual savings in the short term and/or long term

Of course, a program that ultimately increased the salaries of at least 1,000 Commonwealth employees does not create a fiscal savings in the short run. Current estimates indicate an increase in payroll of \$4.16 million per year. The active recruitment of candidates for the IT Associate Program cost the Commonwealth \$10,000 per year in travel and associated expenses. The OA also produced a popular recruitment video for IT candidates costing \$15,000 (A copy of this video has been submitted with the paper application.)

But there are significant long-term savings to be gained from the OA's active retention and recruitment program due to an improved IT candidate pool and the retention of career Commonwealth employees. Thanks to more competitive pay and updated job classifications, employee satisfaction and productivity both increased.

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Staying Power: Keeping Commonwealth IT professionals

Class Title	Death	Dismissal/ Removal	Furlough	Retire- ment	Voluntary Resig- nation	Total Sepa- rations	Comple- ment on June 30, 2000	Separation Rate
Information Technology Technician				1	2	3	109	2.75%
Distributed Systems Specialist 1		1			2	3	61	4.92%
Distributed Systems Specialist 2				1	4	5	64	7.81%
Distributed Systems Specialist Supervisor						0	25	0.00%
Distributed Systems Administrator 1	1	1		1		3	31	9.68%
Distributed Systems Administrator 2				1		1	29	3.45%
Distributed Systems Manager						0	5	0.00%
Applications Developer 1		1			4	5	72	6.94%
Applications Developer 2		1		8	5	14	196	7.14%
Applications Developer Supervisor				2		2	94	2.13%
Applications Developer 3					1	1	105	0.95%
Applications Developer Administrator				3		3	71	4.23%
Database Analyst						0	15	0.00%
Database Administrator 1				1		1	26	3.85%
Database Administrator 2				1		1	14	7.14%
Information Technology Generalist 1					5	5	150	3.33%
Information Technology Generalist 2				3		3	119	2.52%
Information Technology Generalist Supervisor		1		1		2	46	4.35%
Information Technology Generalist Administrator 1				1		1	61	1.64%
Information Technology Generalist Administrator 2				1		1	49	2.04%
Information Technology Manager 1				2		2	46	4.35%
Information Technology Manager 2			1	2		3	14	21.43%
Information Technology Manager 3						0	2	0.00%
Information Technology Trainee						0	12	0.00%
Computer Programmer 1						0	6	0.00%
Computer Programmer 2		1			1	2	20	10.00%
Computer Programmer 3						0	14	0.00%
Computer Programmer 4				1		1	3	33.33%
	1	6	1	30	24	62	1459	4.25%
	1.61%	9.68%	1.61%	48.39%	38.71%			

The rate of voluntary separations from July 1, 1999 and June 30, 2000 was 3.7 percent for the Information Technology classes, below the 5 percent voluntary separation rate for all Commonwealth classes.

There already is evidence demonstrating that workplace satisfaction has improved drastically as the IT separation rate has dropped 43 percent in the past three years. The current rate for the fiscal year ending June 30, 2000 is 4.25 percent, which is lower than the overall separation rate for the Commonwealth (5.9 percent). Overall and voluntary separation rates are well below the IT separation rates in the private sector. These findings demonstrate that the Commonwealth has considerably improved its ability to retain IT professionals in a competitive labor market, ensuring the IT workforce needed to manage computer-based public services.

Quantitative benefits realized by service recipients, taxpayers, agencies and/ or the state

Pennsylvania Governor Tom Ridge and his Administration have implemented a proactive information technology program to lead Pennsylvania in the shaping e-driven economy of the

Continued

21st Century. Starting with raising salaries of 80 percent of its 1,200 IT workers, the Office of Administration was steadfast on retaining its best IT workers. Previously, Commonwealth IT salaries dipped as much as 15 percent behind regional private sector equivalents. The OA and the CSC then created and implemented an aggressive marketing campaign to infuse new IT professionals into the Commonwealth's IT environment through the IT Associate Program.

The short term concrete costs have been significant — IT salary increases cost \$4.16 million annually and thousands of dollars are spent each year on the recruiting and implementation of the IT Associate Program.

But the benefits have been intense while future fiscal savings is evident. By proactive, rather than reactive leadership from Gov. Tom Ridge, Pennsylvania has been able to build an extensive, accomplished IT resume while evading future costs. By preserving Commonwealth IT professionals — evidenced by a lower than average separation rate for private sector IT jobs — through the new pay and job classification system, the Commonwealth needs to spend less on IT recruitment in the future. Also, through retention the levels of output of IT professionals should increase as “on-the-job training” becomes a lesser necessity because turnover rates remain low.

Meanwhile, the IT work has blossomed, producing many computer-based resources for Pennsylvanians ensuring that critical public services are not put in jeopardy by a shortage of staff. Through the state's Web site www.state.pa.us (PA PowerPort), Pennsylvanians can interact with many facets of state government which include among others: filing papers to start a business, renewing a driver's license, completing Pennsylvania tax forms, and obtaining a hunting license.

Pennsylvanians that have encountered the state's IT work through the PA PowerPort have endorsed the technological endeavors championed by the Commonwealth. Ed Graffius, who recently moved back into Pennsylvania was amazed at the possibilities through the PA PowerPort.

“Last year I was able to move back into PA after a 13 year absence. When I moved back I started two sole proprietorships using (PA's) excellent Web site and am currently making money at them,” Graffius said. “The ease at which a person can do business in PA is astonishing, and coming from a computer guy like me, the Web site is world class.”

Responses like Graffius' have signaled a growing demand in electronic-government services, something Gov. Ridge has rigorously promoted while Governor. His FY 2002 budget calls for \$46 million for technological endeavors and the Administration has already spent over \$300 million to enhance its technological capabilities.

The resources allocated and the customers satisfied signal a confidence in state government to better-serve the public by devoting serious state resources to IT projects.

Gov. Ridge's IT Vision

- Information technology enables government to re-engineer itself. IT is not a solution or a panacea, but is a tool to promote productive change; Information technology investments must be effectively managed and tied directly to results;
- Information technology investments can be maximized by concentrating on enterprise-wide solutions as opposed to the traditional agency-specific or “silo” approaches;
- State government must become more flexible and responsive in using information technology for meeting tomorrow's challenges and opportunities;
- State government must maximize its IT buying power to more effectively benefit state agencies and, whenever possible, Pennsylvania communities.
- State government should strive to eliminate barriers to cooperation, efficient service, effective management, and provide opportunities for user input, outside expertise, and process redesign.

Gov. Ridge’s model of proactive leadership in human resource fields of information technology is one that can be easily replicated by other states willing to boldly see past the immediate financial challenges.

In short, the IT retention and recruitment program invests in the long-term future of state government and its employees rather than narrowly focusing on the fiscal discipline of the current budget year. Pennsylvania was losing its best IT employees to the private sector, as Commonwealth salaries couldn’t compete in an open market. Similarly, the Commonwealth was left powerless to recruit IT talent because its salaries were generally 15 percent behind any private company.

But through the bold initiatives previously documented, the Commonwealth is now a better competitor in the IT job market. Meanwhile, Pennsylvania is producing some of the best IT work in the nation — in both the public and private sector.

States seeking to avoid losing in the recruiting and retaining of talented young people in government jobs need to consider the “Brain Gain” measures

enacted in Pennsylvania. States need to invest in their current IT staffs, as volatile job market structures have made these professionals more prone to voluntary separation from their place of employment. In Pennsylvania, the Governor’s Office of Administration realigned IT salaries to compete with the private sector. States need to have the vision to make training an investment, rather than seeing it as an expense. With professionals properly trained for the right position and earning a salary in line with private sector cohorts, retention rates will increase, and future costs will shrink. But most importantly, the quality of the output will increase as state’s IT positions will be filled with veterans accustomed to the special needs of state government.

As electronic-government services continue to peak citizen interest across the country, the demand for qualified IT professionals in state government offices will continue to rise. Retaining and recruiting qualified professionals will enable states to expand popular e-government services at minimal cost through the developed expertise of the state’s IT professionals.

Pennsylvania’s IT retention and recruitment program has been a success in maximizing potential by investing in the future of the Commonwealth’s information technology endeavors. An investment pioneered by Gov. Ridge will avoid future costs while keeping Pennsylvania home of friction-free government.

IT Associate Program Overview

Building Results

- The Information Technology Associate Program lasts one year, from July 1 through June 30.
- Applicants are required to have a bachelor’s degree in any field supplemented by 6 credits in IT-related disciplines (IT credits completed within the past 36 months).
- Agencies fund the salaries of participants during the course of the training year. Extra-complement wage positions may be created to hire participants. Upon final placement, a salaried position is made available.
- Participants serve rotational assignments in each of the following disciplines: networking, client/server applications design, data base administration, training/end-user support. Each rotational assignment lasts three months.
- Participants also receive classroom and computer-based training.
- Agencies sponsoring participants have first choice of retaining associates at the end of the training period.
- Participants are placed into one of the new IT classifications upon program completion.
- Responsibility for recruiting participants and coordinating the program is the joint responsibility of the Civil Service Commission and the Office for Information Technology.

May 30, 2001

To whom it may concern:

I want to take this opportunity to state my appreciation for the initiative that created the new IT classification and pay system. I joined the commonwealth as CIO of Labor and Industry in 1999. The new system was already in place. I gained a full appreciation for the class specifications for the Distributed Systems Specialists, Supervisors and Managers as I learned of the classification system that was replaced.

To carry out the Governor's technology initiatives it was imperative that the Commonwealth attract and maintain talented network planners and administrators. We are at a turning point in how business is performed. The arrival of the Internet and web based applications are revolutionizing business and government, both in relationship to their customers or clients and in relationship to their employees.

The class specifications are important because distributed systems are the way all organizations will do their business. This is more than re-engineering government. The Distributed Systems Specialists, Supervisors and Managers we employ today are not just technicians. They are enablers. There is a new generation of desktop technology every three months. The distributed systems employees must stay on top of the changes, looking for just the right technology to permit the transformation envisioned by the planners. They provide the infrastructure and architecture to support a whole new way of thinking that can transform all program areas in state government. Their decisions require both an understanding of the business changes as well as technology which is far more complex than the mainframe world which we are outsourcing.

The ImaginePa initiative will drive massive change in the way we perform our administrative processes. The IT Classification restructuring was a necessary first step that has allowed us to make the many significant strides in technology that have been achieved in the past five years.

Robert McGrath
Chief Information Officer
Department of Labor & Industry
Voice - 717-705-6494
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May 29, 2001

To whom it may concern:

My experience with the IT Project is from a more parochial, individual agency perspective than of a global Commonwealth viewpoint.

Nonetheless, this qualifier aside, the IT Project has had a marked impact on the PA Liquor Control Board and the business of IT. First, the new class specifications more clearly define the various types and levels of work being performed. The class titles are much more descriptive of the work assigned to the individual class specs and the various definitions of work for the new class specs more succinctly and clearly define the work being performed. This facilitates a much more logical and clearly visible linkage between the work and the worker. From the standpoint of classification, this allows for more readily identifiable classification standards both for the classifier and the customer and as a classifier this is a major plus. Better class titles, more definitive definitions of work - you can't help but like that as a C&P person.

A second positive aspect of the IT Project was the realignment of compensation levels. While a key step for underpinning the classification principle of "Equal pay for equal work", this IT Project initiative also has impacted on the recruitment of IT talent. In addition to classification and pay I am also responsible for the agency's recruitment & placement program, so the ability to attract and sustain skilled IT personnel is of prime importance. The IT talent pool is a highly competitive arena where the slightest edge can mean the difference between a perspective applicant accepting or rejecting a job offer. The IT Project has allowed us to enhance our ability to compete for IT talent. We may not yet be king of the hill, but no one is kicking sand in our face anymore.

Finally, I think there is another aspect of the IT Project worthy of note - the implementation. The IT Project was no small undertaking and for the most part it was a seamless transition. The coordination and control to effect such a significant transition in such a smooth and uneventful manner reflects substantial credit on the planners and executors. Had the transition been fraught with delays and problems much of the benefit derived from the IT Project may have been lost.

Simply stated, the IT Project has been a positive experience for the PA Liquor Control Board.

Robert Molin
Liquor Control Board

**COMMONWEALTH OF PENNSYLVANIA
PENNSYLVANIA SECURITIES COMMISSION**

SUBJECT: Review of the IT Classification Initiative

Thank you for the opportunity to present the following evaluation of the IT reclassification.

The IT reclassification certainly helped sustain the morale of the Pennsylvania Securities Commission (PSC) agency's IT staff. The IT reclassification provided a vehicle to move PSC IT staff's professional and technical career paths to those of a level more closely related to private sector positions in both job description and pay structure. In the scenarios that follow, I found the new IT classifications process to be very beneficial.

The IT classifications, as they presently exist, identify job tasks and provide guidance in writing a job description that would align the job function associated with a specific classification. This was particularly apparent when we hired the agency's Application Developer. We identified the tasks that needed to be achieved and could associate the tasks within the job description written in the Application Developer's classifications. Had I used the same scenario for the job description under the Computer Systems Analyst (CSA) classification system, I would have had to consult every name and resume on the list and then I still may not have found a suitable candidate for the position.

As a small agency, under 100 employees with 3 offices (Harrisburg, Pittsburgh, and Philadelphia), it is extremely important to maintain an effective IT Team. This means that the I need to keep the team focused, encourage them to use their initiative, stretch their IT knowledge and insure that we are utilizing their skills in the best possible combinations to maximize our resources. To retain an IT staff that is responsive, the agency recognizes that it needs to have a mechanism whereby it can continue upgrade their compensation level, and allow it to stay as competitive as possible with private industry. Normally, within this agency, this is done through a process of evaluation of the IT staff's current job description and identifying and expanding their scope of work and associated tasks. This process results in the re-writing job descriptions, and recommending a reclassification of the position, thus remaining competitive with the private sector.

The last vacancy posting that we had in the IT section was for an ITG 1 level position with very specific requirements related to our agency's needs. We were fortunate to attract qualified candidates. The candidate we hired will graduate from Penn State in December, 2001, with a 2 bachelor degrees; Information Systems and Management. However, the agency recognizes that if we want to keep this caliber of candidate, we will need to present him with challenges, job satisfaction and the ability to increase his compensation. In recognizing these facts, I have begun to plan his career path with the agency to see what will be available to him in the near future and his long term career objectives with the agency. This planning anticipates several reclassifications for him over the next three years.

In conclusion, it is important for the agency and the Commonwealth to recognize and plan for the continued growth of their IT personnel. We need to recognize that IT is the backbone of the Commonwealth government operations at all levels and in all sizes of agencies. The Commonwealth looks to IT staff for experience and guidance, and recognizes that IT is a major contributor/factor to the successful delivery of Commonwealth services. As IT technology progresses, the Commonwealth will need to continue to provide quality and comprehensive educational opportunities for IT staff to develop their knowledge and skills so they can address the technological advances that the IT future holds.

Dean DeHoff
Information Technology Manager